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BUREAU OF REAL ESTATE

By

BEFORE THE BUREAU OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of STALLION LENDING, INC., BRABUS FINANCIAL CORPORATION, IRFAN NAZIR, individually and as designated broker-officer of Stallion Lending, Inc., and KEVIN CHRISTOPHER VALLE, individually and as former designated broker-officer of Brabus Financial Corporation, Respondents.	No. H-37934 LA

ORDER SUSPENDING REAL ESTATE LICENSE

TO: IRFAN NAZIR
10737 Laurel St. #100
Rancho Cucamonga, CA 91730

On June 5, 2013, a restricted real estate salesperson license was issued to Respondent IRFAN NAZIR License ID 01237704, on the terms, conditions and restrictions set forth in the Bureau of Real Estate ("Bureau") Commissioner's Decision in Case No. H-37934 LA. This Order which became effective on

June 5, 2013, provided that the right to a restricted real estate salesperson license was subject to the provisions of Section 10156.7 of the Business and Professions Code and to enumerated additional terms, conditions and restrictions imposed under authority of Section 10156.6 of said Code ("Code").

Among the terms and conditions of the Order, Respondent was required to: (1) take and pass the Professional Responsibility Examination within six (6) months from the effective date of the Decision; and (2) provide satisfactory proof of completion of 45 hours of approved continuing education courses within nine (9) months from the effective date of the Decision. The Commissioner has determined that Respondent has failed to satisfy one or more of these conditions.

NOW, THEREFORE, IT IS ORDERED under authority of the Order issued in this matter that the real estate officer license heretofore issued to Respondent and the exercise of any privileges thereunder is hereby suspended until such time as Respondent provides proof satisfactory to the Bureau of compliance with the "conditions" referred to above, or pending final determination made after hearing (see "Hearing Rights" set forth below).

IT IS FURTHER ORDERED that all license certificates and identification cards issued by Bureau which are in the possession of Respondent be immediately surrendered by personal delivery or by mailing in the enclosed, self-addressed envelope to:

///

Bureau of Real Estate
Attn: Licensing Flag Section
PO BOX 137013
SACRAMENTO, CA 95813-7013

HEARING RIGHTS: You have the right to a hearing to contest the Commissioner's determination that you are in violation of the Order issued in this matter. If you desire a hearing, you must submit a written request. The request may be in any form, as long as it is in writing and indicates that you want a hearing. Unless a written request for a hearing, signed by or on behalf of you, is delivered or mailed to the Bureau of Real Estate at 320 W. 4th Street, Room 350, Los Angeles, California 90013, within 20 days after the date that this Order was mailed to or served on you, the Bureau will not be obligated or required
to provide you with a hearing.

This Order shall be effective immediately.

DATED: MARCH 25, 2014.

REAL ESTATE COMMISSIONER

JEFFREY MASON
Chief Deputy Commissioner

FILED

MAY 16 2013

DEPARTMENT OF REAL ESTATE
BY: [illegible]

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * * *

In the Matter of the Accusation of STALLION LENDING, INC., BRABUS FINANCIAL CORPORATION, IRFAN NAZIR, individually and as designated broker-officer of Stallion Lending, Inc. and KEVIN CHRISTOPHER VALLE, individually and as former designated broker-officer of Brabus Financial Corporation, Respondents.	DRE No. H-37934 LA OAH No. 2012060330

DECISION

The Proposed Decision dated April 22, 2013, of the Administrative Law Judge of the Office of Administrative Hearings, is hereby adopted as the Decision of the Real Estate Commissioner in the above-entitled matter.

The Decision suspends or revokes one or more real estate licenses, but the right to a restricted license is granted to Respondents.

This Decision shall become effective at 12 o'clock noon on June 5, 2013.

IT IS SO ORDERED May 13, 2013

REAL ESTATE COMMISSIONER

By: Jeffrey Mason
Chief Deputy Commissioner

BEFORE THE
DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation Against: IRFAN NAZIR, and KEVIN CHRISTOPHER VALLE, Respondents.	Case No. H-37934 LA OAH No. 2012060330

PROPOSED DECISION

This matter was heard by Eric Sawyer, Administrative Law Judge, Office of Administrative Hearings, State of California, on March 12-14, 2013, in Los Angeles. The record was closed and the matter was submitted for decision at the conclusion of the hearing.

Lissete Garcia, Staff Counsel, represented Maria Suarez, Deputy Real Estate Commissioner (Complainant), Department of Real Estate (Department).

Thomas V. Pratt, Esq., represented Kevin Christopher Valle (Respondent Valle), who was present.

M. Stephen Cho, Esq., represented Irfan Nazir (Respondent Nazir), who was present.

FACTUAL FINDINGS

Parties and Jurisdiction

1. Complainant brought the Accusation in her official capacity. Respondents timely submitted Notices of Defense, each of which contained a request for a hearing.

2. Respondent Valle was initially issued a real estate salesperson license on September 8, 1994. His real estate broker license was issued on November 16, 2002, and is scheduled to expire on November 15, 2014.

3. On May 5, 2003, Brabus Financial Corporation (Brabus) was licensed as a real estate corporation. Respondent Valle was the designated broker-officer. Pursuant to Business and Professions Code section 10159.2,[1] Respondent Valle was responsible for ensuring Brabus's compliance with the Real Estate Law. On May 26, 2009, Respondent Valle's designated officer status was cancelled. On May 4, 2011, Brabus's corporation license expired. Brabus's corporation license was later revoked by a default decision effective July 10, 2012.

[1] All further statutory references are to the Business and Professions Code.

4. On October 31, 1998, Respondent Nazir was issued a real estate salesperson license. On June 26, 2002, Respondent Nazir was issued his real estate broker license, which is scheduled to expire on June 25, 2014.

5. On January 23, 2008, Stallion Lending, Inc. (Stallion) was licensed as a real estate corporation. Respondent Nazir was the designated broker-officer. Pursuant to section 10159.2, Respondent Nazir was responsible for ensuring Stallion's compliance with the Real Estate Law. On January 22, 2012, Stallion's corporation license expired. Respondent Nazir's designated officer status also expired on that date. Stallion's corporation license was later revoked by a default decision effective July 10, 2012.

6. At all times relevant, Respondent Valle, Respondent Nazir, Stallion and Brabus engaged in the business of a real estate broker within the meaning of section 10131.

7. On a date not established, the Real Estate Commissioner issued an Order to Desist and Refrain (D&R Order) against Respondents, Brabus, Stallion, and Pacific Mortgage Resolutions, Inc. The D&R Order related to the Feria and Ponce transactions discussed below, and ordered the Respondents and entities to refrain from receiving advance fees with respect to the performance of loan modification or any other form of mortgage loan forbearance services in connection with loans on residential property. The parties were also ordered to immediately refrain from such activity unless and until an advance fee agreement had been submitted to and approved by the Department. The D&R Order became final. Respondent Nazir was the only party to challenge it; after a hearing, his appeal was denied by a Decision effective March 28, 2013.

Pacific Mortgage Resolutions, Inc.

8. Respondent Valle conducted loan modifications through Brabus. He was not able to charge advance fees for that work because he had not obtained prior consent from the Department to do so. Respondent Valle testified that he was not successful with this kind of work, but had learned that having access to forensic audits of homeowner loans might give him bargaining leverage in negotiating with lenders.

9. Respondent Valle testified that he decided to create a business to perform forensic loan audits to be used in the loan modification process. He formed Pacific Mortgage Resolutions, Inc. (PMRI), which was incorporated in California in July of 2008. Documents filed with the California Secretary of State described PMRI's business as "forensic financial audit services," "mortgage audit/services," and "mortgage services." Respondent Valle used a third party, ComplianceEase, to perform the actual loan audit, based on information PMRI obtained from homeowners concerning their mortgage loans.

10. Respondent Valle also testified that the business plan was for PMRI to charge an advance fee for the forensic loan audit, which could later be used in negotiating a loan modification. Respondent Valle testified that it was his plan for PMRI customers to be referred to Brabus for loan modification services once the forensic loan audit was completed. Respondent Valle also testified that Brabus would collect a small fee ($250) for the loan modification work only after the lender had granted such relief.

11. By the end of 2008 or early 2009, Respondent Valle decided to sell PMRI to Respondent Nazir. Respondent Valle's testimony that PMRI was financially profitable at the time was not persuasive, given evidence generated from the Department's subsequent audit of the involved entities, the paltry sales price, and the testimony from Respondent Nazir. Respondent Valle's testimony that he sold a profitable business to Respondent Nazir at a bargain price simply because he wanted to "help him out" was not credible. It is more likely that Respondent Valle became aware of a change in the law in July of 2009 that he feared would increase the Department's scrutiny over mortgage loan services, and that PMRI would never become profitable. Therefore he decided to dump PMRI on someone who would take it off his hands, which was Respondent Nazir.

12. At that time, Respondent Nazir was in financial distress and was desperate for business. He was willing to buy PMRI for essentially no down payment and a promise to pay the $50,000 sales price from revenues generated by PMRI, which he never paid. Respondent Nazir performed no due diligence prior to taking over PMRI, and accepted Respondent Valle's promises and assurances of the legality of the venture at face value, without any independent investigation.

13. In February or March of 2009, Respondents agreed to the sale of PMRI. Respondent Valle asked Respondent Nazir to back-date documents related to the sale to January 2, 2009. After the sale, Respondent Valle gradually reduced his role in PMRI as Respondent Nazir learned the business. By late March of 2009, Respondent Valle no longer had control over PMRI's bank account. By April of 2009, documents were filed with the Secretary of State naming Respondent Nazir as the President, Chief Executive Officer and Director of PMRI. By that time, Respondent Valle no longer exerted any control over PMRI. At Respondent Valle's request, Respondent Nazir notified PMRI clients by letter in early April of 2009 that their loan modifications would be performed by Stallion.

14. PMRI conducted three transactions while it was owned by Respondent Nazir, including the Feria and Ponce transactions described in more detail below. Shortly after operating the business, Respondent Nazir realized the company did not have the resources or staffing to keep up with customer demands and inquiries, primarily those from when the business was owned by Respondent Valle. By July of 2009, Respondent Nazir stopped taking new clients and began to wind-down PMRI. By September of 2009, the bank account was closed and the company essentially went out of business.

The Feria Transactions

15. On March 9, 2009, Hector and Maria Feria met with Melissa Ham to discuss loan modifications for two residential properties they owned. They were in financial distress and feared losing the properties. Ms. Ham was then employed both by PMRI and a company wholly-owned by Respondent Valle. At this time, the PMRI business was transitioning from Respondent Valle to Respondent Nazir. In fact, Respondent Valle testified that he felt somewhat responsible for the Feria transactions because it "happened on my watch."

16. The Ferias lived in one of the properties and Mr. Feria's parents lived in the other, facts made known to Ham and PMRI. Ms. Ham promised the Ferias that she and Respondent Nazir would seek a loan modification from their lenders on both properties. On March 9, 2009, the Ferias signed a number of documents, some on PMRI letterhead and some on Brabus letterhead. The documents vaguely and indirectly referenced an "auditing fee" of $1,500 for PMRI, an "administration fee" of $1,295, and a "negotiation fee" of $250 for Brabus (collected at the completion of a loan modification). The documents did not clearly state that PMRI would only perform a forensic audit of the loans or that only Brabus would perform loan modification negotiations. In fact, documents with both entities' letterhead both referred to auditing and loan modification. For example, documents on Brabus letterhead described its services as including both debt research (implying auditing), and loan negotiations. A reasonable person reviewing all the documentation would be confused over which entity was performing which activity. Based on what they were told and the documents they were asked to sign, the Ferias simply believed both entities were one and the same and that they had contracted for loan modification work. The Ferias paid PMRI $1,500 for each property, for a total of $3,000. The payment was made before any work was done for the Ferias by PMRI or Brabus. The Ferias do not remember being told about the forensic loan audit. After a loan audit was later completed by ComplianceEase in early April of 2009, the Ferias never received a copy of the audit report.

17. The Ferias primarily dealt with Ms. Ham to process the paper work regarding their loans. The Ferias also worked with Rebecca Cady, an unlicensed person who worked for PMRI and was affiliated with Brabus. Ms. Ham requested, and was provided, documents and information from the Ferias concerning their loans. Mr. Feria also spoke with Mr. Nazir about the loan modifications. After the paperwork and information was provided to Ms. Ham, Mr. Feria contacted Ms. Ham and Respondent Nazir on multiple occasions to inquire about the status of the loan modifications, but got no definitive response. The Ferias became concerned, so they contacted their lenders about the status of their loan modifications. Although both lenders may have been contacted by representatives of Brabus or Stallion or PMRI, neither lender received a formal loan application. The Ferias requested a refund of the $3,000 paid to PMRI. Ultimately, Mr. Feria contacted Respondent Valle to complain that the loan modification had not been processed by PMRI. Respondent Valle initially told the Ferias that there was nothing he could do and that Respondent Nazir was responsible. No refund was forthcoming from Respondent Nazir. Respondent Valle refunded the Ferias their $3,000 in 2010, but they lost both properties through short sales.

18. It was not clearly and convincingly established that Respondents accepted the Ferias' payment without intending to submit a loan modification application for the Ferias. The Ferias' file kept by PMRI and/or Brabus shows a moderate amount of activity conducted after their fee was paid. Respondents' staff obtained the necessary paperwork and information from the Ferias, obtained loan audits from ComplianceEase and began contacting the lenders. According to Respondent Valle, that process was laborious and time-consuming. The evidence revealed that the documents and information requested from the Ferias for the forensic loan audit was substantially similar, if not the same, as that needed for a loan modification. However, the Ferias' loan modification applications were never completed. The Ferias began complaining over the delay in processing their loan modifications and then demanding a refund of their deposit. Work on the files stopped at that time. The delay in processing the loan modification requests was caused by the transition in Respondent Nazir taking over and learning the business, PMRI's lack of resources and staffing to keep up with the volume of business, and the fact that the Ferias were not owner-occupiers of both properties. Respondents and PMRI staff should have realized that situation was present when they obtained the information from the Ferias, and they should have realized at that time that such status would have prevented a loan modification for one or both of the properties. Respondents and PMRI staff acted negligently in this regard.

The Ponce Transaction

19. On April 27, 2009, Jesus Ponce, with the assistance of his daughter Martha Ponce, contacted PMRI for a loan modification for his residential property located in Long Beach. Mr. Ponce was not in financial distress, but he was interested in reducing his mortgage payments. Mr. Ponce was referred to PMRI by Arabelia Bustos, who told him that she worked for Respondent Nazir and PMRI. By this time, Respondent Nazir had taken control of PMRI. Respondent Valle was not involved in this transaction.

20. Mr. Ponce worked with Ms. Bustos and Sharlene Knorr, who worked for Respondent Nazir and PMRI. They also came into contact with Rebecca Cady, the unlicensed person who worked for PMRI and was also affiliated with Brabus and later Stallion. Mr. Ponce was given, and signed, documents similar to those described above in the Ferias' transactions. At all times, Mr. Ponce believed he had contracted for a loan modification. He was not told that he was contracting for a loan audit. In fact, Mr. Ponce did not remember ever hearing about a loan audit. He believed PMRI and Brabus were the same entity and that it would process his loan modification. On May 11, 2009, Mr. Ponce gave Ms. Bustos a check made payable to PMRI for $2,500 to process a loan modification application. The check was cashed by PMRI and Respondent Nazir. Mr. Ponce made his payment before any work was performed.

21. Mr. Ponce never received a copy of a forensic loan audit. He grew concerned after he heard no change of status on his file. Shortly later he learned from his lender that a loan modification application had not been submitted. Mr. Ponce therefore requested a refund from PMRI and Respondent Nazir, but he received no response. He submitted a complaint to the Department after he realized he would not receive a refund.

22. Mr. Ponce was ultimately contacted by his lender and offered a loan modification, which he accepted. He still owns the home in question. Although Respondent Nazir takes credit for that loan modification, he submitted no written evidence indicating that PMRI sent an application to Mr. Ponce's lender, and Respondent Nazir admitted that he had no personal contact with Mr. Ponce's lender. In fact, Mr. Ponce was advised by his lender that it would not communicate with third parties regarding his home loan. While testifying, however, Mr. Ponce refused to elaborate on how his loan modification came about. Under these circumstances, it was not established what prompted Mr. Ponce's lender to agree to a loan modification.

23. It was not established that Respondent Nazir accepted Mr. Ponce's payment without intending to submit a loan modification application. The Ponce file kept by PMRI and/or Stallion shows a moderate amount of activity conducted after he paid his fee. Respondent Nazir's staff obtained the necessary paperwork and information from Mr. Ponce, and began organizing the information in order to contact his lender. The documents and information requested from Mr. Ponce was substantially similar, if not the same, as that needed for a loan modification. By late June or early July of 2009, work stopped on the Ponce matter. By that time, Respondent Nazir had realized PMRI lacked resources and staffing to keep up with the volume of business, and he had decided to start winding-down the business. It appears that Respondent Nazir stopped work on the Ponce matter because he had decided to close the PMRI business. At that time, a loan modification application had not been completed.

Advance Fees

24. At no time did Respondents, PMRI, Brabus or Stallion submit advance fee materials or an agreement to the Department for review prior to use.

25. Respondents' claim is not credible that PMRI only performed a "forensic audit" for the fees paid by the Ferias and Mr. Ponce, and that the actual loan modification work was processed solely by Brabus and/or Stallion for a fee of only $250 per property loan to be collected after the fact. For example, none of the homeowners were advised that their fees were only for a loan audit and not for processing a loan modification application. None of the homeowners were given a copy of the loan audit report. It was not established that the loan audit reports were of any value to either the homeowners or their lenders in deciding whether to submit or approve a loan modification application. The documents and information obtained from the homeowners for the loan audit was the same needed for a loan modification application. The paperwork signed by the homeowners was confusing and gave no clear indication that they were contracting for a loan audit, as opposed to a loan modification application. The employees interfacing with the homeowners worked for both PMRI and Stallion or Brabus. The information was so confusing that the homeowners believed all those entities were the same. As a course of dealing, the PMRI staff automatically referred clients to Brabus for "loan modification" processing.

26. Under these circumstances, it was established that when homeowners contracted with Respondents and PMRI, and paid their fees in advance of services, they were doing so for processing a loan modification application. The loan audit purchased from the third party, ComplianceEase, was merely part of that process. Respondents' practice of collecting the fees up front from loan modification applicants was a ploy to avoid complying with the Department's prohibition on collecting advance fees for loan modification activity without first seeking permission from the Department and to cloak PMRI's activity in performing real estate loan modifications without having a corporate real estate license.

Unlicensed Activity

27. PMRI was never licensed in any capacity by the Department.

28. PMRI, through its employees, engaged in activities requiring a real estate license, when it agreed to process loan modifications for the Ferias and Mr. Ponce. Although the Feria and Ponce loan modification documents indicated that Brabus would process the loan modification applications, the evidence showed that employees of PMRI and Respondents were the only persons processing the loan modifications and that the funds paid by the Ferias and Mr. Ponce were paid to PMRI. The PMRI employees or affiliates involved were the subject of virtually no supervision or oversight by either Respondent.

29. Respondents acted without Department authorization in using the business name "Pacific Mortgage Resolutions, Inc." to engage in activities requiring the issuance of a real estate license.

Respondents' Defenses

30. Respondent Valle testified that he spoke with a high-ranking Department employee, Gary Sibner, before embarking on his plan to create and operate PMRI. He testified that he explained to Mr. Sibner his plan to create a company that would only perform forensic homeowner loan audits and inquired whether that company needed to be licensed by the Department to do so. Respondent Valle testified that the two spoke at length and that Mr. Sibner ultimately told him such a company would not need a license to conduct forensic loan audits, mainly because there was not a third party involved in the transaction. For that reason, Respondent Valle testified that he believed PMRI did not need a license from the Department and that PMRI was operating in compliance with the Real Estate Law. Respondent Valle's testimony was not persuasive and was self-serving. He did not provide any written corroboration of such a discussion, such as a follow-up letter to the Department or Mr. Sibner summarizing the discussion. Respondent Valle failed to present evidence from Mr. Sibner or subpoena him to testify. Even if such a discussion occurred, it has little probative value in this case, where it was established that PMRI was in fact doing more than just loan audits. Nor did Respondent Valle testify that he explained to Mr. Sibner other salient facts, such as those discussed in Factual Finding 25. It is doubtful a Department employee would have told Respondent Valle that PMRI would need no license from the Department had those facts been disclosed.

31. As discussed above, Respondent Valle refunded the Ferias their $3,000 fees paid to PMRI. Respondent Valle is credited with realizing that the Ferias' transactions occurred on "his watch," and should be lauded for accepting that level of responsibility. However, it must also be noted that Respondent Valle refused to refund the Ferias when he was initially contacted, and instead denied any responsibility and deflected them to Respondent Nazir. Moreover, the Ferias had already complained to the Department, and the Department had already begun its investigation, when Respondent Valle made the refund.

32. Respondent Valle has no record of prior discipline with the Department.

33. Respondent Valle has accepted little responsibility for the events depicted above, except for that discussed immediately above regarding the Ferias' transactions. Otherwise, Respondent Valle has denied any wrongdoing. He did not appear contrite or remorseful when testifying. His credibility was also substantially undercut by his denying that he back-dated PMRI sale documents; his initial contention that the Ferias were refunded more than they were owed (which was quickly disproven); his evasive testimony in which he tried to obscure the fact that he fully owned and controlled Brabus; and his insistence, in the face of compelling evidence otherwise, that he sold a profitable company at a bargain price out of compassion for Respondent Nazir.

34. Respondent Nazir has no record of prior discipline with the Department.

35. Respondent Nazir testified that he relied on Respondent Valle's assertions that the PMRI business was legal, and therefore he never understood that it needed to be licensed with the Department. Even if so, Respondent Nazir undertook no due diligence in investigating the legality or viability of PMRI before agreeing to buy it. He testified that he learned of the doomed business model of PMRI within one week of taking over control, but yet it appears that he thereafter still contracted with Mr. Ponce and perhaps one other person. Respondent Nazir was fully aware that a loan modification application had not been completed for Mr. Ponce, yet he refused to refund him. The same is true of the Ferias. Respondent Nazir provided no justification for refusing to provide refunds, other than insisting that the homeowners got what they bargained for, i.e., forensic loan audits. For the reasons discussed above, Respondent Nazir's position was not justified or reasonable.

36. Though Respondent Nazir appeared candid in his testimony for the most part, he demonstrated no remorse or contrition during the hearing. He accepted no responsibility for any of the events depicted above. In fact, Respondent Nazir essentially testified that he could not understand why the Ferias or Mr. Ponce were upset, in that they got their loan audits. The evidence established that they did not get the loan audit reports; even if those were provided, the reports were of no value to them.

LEGAL CONCLUSIONS

1. *Burden and Standard of Proof.* Complainant has the burden of proving cause for discipline by clear and convincing evidence to a reasonable certainty. (*Ettinger v. Board of Med. Quality Assurance* (1982) 135 Cal.App.3d 853, 857.)

2A. *First Cause for Discipline.* By using advance fee materials and advance fee agreements which were not submitted to the Department for review prior to use, Respondents violated of sections 10085.5 and 10085, as well as California Code of Regulations, title 10, section (Regulation) 2970, which is cause to discipline Respondents' licenses pursuant to section 10177, subdivisions (d) or (g).

2B. A real estate broker "solicits borrowers or lenders for or negotiates loans or collects payments or performs services for borrowers or lenders or note owners in connection with loans secured directly or collaterally by liens on real property or on a business opportunity." (Bus. & Prof. Code, § 10131, subd. (d).) The Real Estate Commissioner may require that any or all materials used in obtaining advance fee agreements be submitted to him or her at least 10 days before they are used. (Bus. & Prof. Code, § 10085; Cal. Code Regs, tit. 10, § 2970.) An "advance fee" is a fee, regardless of form, claimed, demanded, charged, received, or collected by a licensee from a principal before fully completing each and every service the licensee contracted to perform, or represented would be performed. (Bus. & Prof. Code, § 10026.) Section 10085.5 makes it unlawful to claim, demand, charge, receive, collect or contract for an advance fee (1) for soliciting lenders on behalf of borrowers or performing services for borrowers in connection with loans secured by a lien on real property, before the borrower becomes obligated to complete the loan, or (2) for performing any other activity for which a license is required. Section 10085.5 was in effect in 2009 during the events in question.

2C. In this case, Respondents, while doing business as PMRI, solicited advance fees from the Ferias and Mr. Ponce to perform services for them in connection with their loans secured by liens on their properties. The services were in the form of loan modification negotiations. Though Respondents contend the homeowners were only charged advance fees for forensic loan audits, and not loan modifications, it was not established that such was the case. In fact, it was clearly and convincingly established that the Ferias and Mr. Ponce paid advance fees to Respondents, through PMR, to process loan modification applications. Respondent Valle knew he could not charge advance fees for such activity, but he created the fiction that PMRI was only conducting forensic loan audits to avoid the requirement of submitting advance fee materials and agreements to the Department for approval. Respondent Valle therefore willfully violated the Real Estate Law and is subject to discipline under section 10177, subdivision (d). Respondent Nazir accepted Respondent Valle's assertions that PMRI operated in conformity with the Real Estate Law when he bought it. He professed having no understanding that accepting advance fees for such services violated the law. However, he performed no due diligence concerning the legality of the PMRI business, and he should have known that accepting advance fees for such services violated the Real Estate Law. Respondent Nazir was negligent in violating the Real Estate Law and is subject to discipline under section 10177, subdivision (g). (Factual Findings 1-26.)

2D. Respondents argue that advance fees for loan modification activity was only specifically prohibited by section 10085.6, which was not effective until October 2009, after the events in question. This was the change in law that Respondent Valle anticipated, which precipitated his decision to sell PMRI to Respondent Nazir. Respondents argue that they may not be retroactively disciplined for conduct that was legal at the time it occurred. However, it is clear that Respondents' conduct violated the prohibitions of section 10085.5, which was effective at the times in question. Respondents' argument concerning section 10085.6 is therefore of no moment.

3A. *Second Cause for Discipline.* By using the business name "Pacific Mortgage Resolutions, Inc." to engage in activities requiring the issuance of a license without Department authorization, Respondents violated section 10159.5 and Regulation 2731, which is cause to discipline Respondents' licenses pursuant to section 10177, subdivisions (d) or (g). As discussed above, Respondents, through their employees at PMRI, engaged in loan modification negotiations. Such activity required a real estate broker license, but PMRI was not so licensed.

3B. Respondent Valle had actual knowledge that he could not engage in such activity through PMRI without a license, but he created the fiction that PMRI was only conducting forensic loan audits as a ploy to avoid the requirement. Respondent Valle therefore willfully violated the Real Estate Law and is therefore subject to discipline under section 10177, subdivision (d). Respondent Nazir accepted Respondent Valle's assertions that the PMRI business model was in conformity with the Real Estate Law when he bought it. He professed that he had no understanding that PMRI needed a broker license to engage in such services. However, he performed no due diligence concerning the legality of the PMRI business when he bought it, and he should have known that PMRI was engaged in activity requiring a license and was therefore in violation of the Real Estate Law. Respondent Nazir was negligent in violating the Real Estate Law and is subject to discipline under section 10177, subdivision (g). (Factual Findings 1-29.)

4. *Fifth Cause for Discipline.*[2] Respondent Nazir was the designated broker-officer of Stallion. Respondent Valle was the designated broker-officer of Brabus. When Respondents owned PMRI, their respective employees affiliated with Stallion and Brabus were involved in the Feria and Ponce transactions while also being dual-employees of PMRI. Those employees affiliated by PMRI, Stallion and Brabus violated the Real Estate Law by soliciting and accepting advance fees prohibited by law and engaging in unlicensed real estate broker activity. As the broker-officers designated by the corporate licenses in question, Respondents were required to exercise supervision and control over the activities of their employees and affiliates of Stallion and Brabus, as required by section 10159.2. However, Respondents failed to do so, which is cause to discipline their licenses under section 10177, subdivision (h). (Factual Findings 1-29.)

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[2] The Third and Fourth Causes for Discipline are not alleged against Respondents.

5A. *Disposition.* Respondents engaged in serious misconduct, albeit in different forms. Respondent Valle created a business model to evade oversight and licensing by the Department. Respondent Nazir blindly walked into a bad situation because of financial distress. Both Respondents took advantage of vulnerable homeowners. Although their culpability is different, both Respondents are equally responsible for discipline. Neither Respondent demonstrated remorse or contrition, nor accepted much responsibility, if any, for their misconduct. Neither Respondent submitted evidence of rehabilitation or of their reputation for competence or honesty in the real estate field. Though Respondent Valle provided the Ferias a refund when he saw the writing on the wall, his testimony was simply unbelievable in many instances, which undercut his credibility. Respondent Nazir appeared candid for the most part while testifying, but his refusal to refund the homeowners is inexplicable. Under these circumstances, neither Respondent can be trusted to exercise the unfettered, unsupervised discretion of a real estate broker license.

5B. However, mitigating facts are present which indicate outright revocation of their licenses is unwarranted. Respondents have long records of licensed activity without prior discipline by the Department. It also appears that Respondents fully intended to provide the service for which the homeowners contracted, i.e., loan modification negotiations, but were unable to complete that task for various reasons. Thus, it appears that Respondents can be trusted to engage in licensed activity when under the supervision of licensed and competent brokers. The order below calls for the issuance of restricted salesperson licenses under a moderate four year period, including various terms intended to protect the public, such as remedial coursework and the requirement that Respondent Nazir provide a refund to Mr. Ponce. (Factual Findings 1-36.)

ORDER

All licenses and licensing rights of Respondents Kevin Christopher Valle and Irfan Nazir under the Real Estate Law are revoked; provided, however, a restricted real estate salesperson license shall be issued to Respondents pursuant to Section 10156.5 of the Business and Professions Code if Respondents make application therefor and pay to the Department of Real Estate the appropriate fees for the restricted licenses within 90 days from the effective date of this Decision. The restricted license issued to Respondents shall be subject to all of the provisions of section 10156.7 and to the following limitations, conditions and restrictions imposed under authority of section 10156.6:

1. The restricted license issued to a Respondent may be suspended prior to hearing by Order of the Real Estate Commissioner in the event of that Respondent's conviction or plea of nolo contendere to a crime which is substantially related to that Respondent's fitness or capacity as a real estate licensee.

2. The restricted license issued to a Respondent may be suspended prior to hearing by Order of the Real Estate Commissioner on evidence satisfactory to the Commissioner that that Respondent has violated provisions of the California Real Estate

Law, the Subdivided Lands Law, Regulations of the Real Estate Commissioner or conditions attaching to the restricted license.

3. Respondents shall not be eligible to apply for the issuance of an unrestricted real estate license nor for the removal of any of the conditions, limitations or restrictions of a restricted license until four years have elapsed from the effective date of this Decision.

4. Respondents shall submit with any application for license under an employing broker, or any application for transfer to a new employing broker, a statement signed by the prospective employing real estate broker on a form approved by the Department of Real Estate which shall certify:

(a) That the employing broker has read the Decision of the Commissioner which granted the right to a restricted license; and

(b) That the employing broker will exercise close supervision over the performance by the restricted licensee relating to activities for which a real estate license is required.

5. Respondents shall, within nine months from the effective date of this Decision, present evidence satisfactory to the Real Estate Commissioner that Respondents have, since the most recent issuance of an original or renewal real estate license, taken and successfully completed the continuing education requirements of Article 2.5 of Chapter 3 of the Real Estate Law for renewal of a real estate license. If a Respondent fails to satisfy this condition, the Commissioner may order the suspension of the restricted license until that Respondent presents such evidence. The Commissioner shall afford that Respondent the opportunity for a hearing pursuant to the Administrative Procedure Act to present such evidence.

6. Respondents shall, within six months from the effective date of this Decision, take and pass the Professional Responsibility Examination administered by the Department including the payment of the appropriate examination fee. If a Respondent fails to satisfy this condition, the Commissioner may order suspension of that Respondent's license until that Respondent passes the examination.

7. Respondent Irfan Nazir shall, prior to the issuance of a restricted license and as a condition of the issuance of said restricted license, submit proof satisfactory to the Commissioner of payment of restitution in the amount of $2,500 to Mr. Jesus Ponce.

DATED: April 22, 2013

ERIC SAWYER,
Administrative Law Judge
Office of Administrative Hearings

FILED

JUN 20 2012

DEPARTMENT OF REAL ESTATE
BY: C2

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation of STALLION LENDING, INC., BRABUS FINANCIAL CORPORATION, IRFAN NAZIR, individually and as designated broker-officer of Stallion Lending, Inc. and KEVIN CHRISTOPHER VALLE, individually and as former designated broker-officer of Brabus Financial Corporation, Respondents.	NO. H-37934 LA

DECISION

This Decision is being issued in accordance with the provisions of Section 11520 of the Government Code, on evidence of compliance with Section 11505 of the Government Code and pursuant to the Order of Default filed on May 15, 2012, and the findings of fact set forth herein are based on one or more of the following: (1) Respondent's express admissions; (2) affidavits; and (3) other evidence.

FINDINGS OF FACT

1.

On February 27, 2012, Maria Suarez made the Accusation in her official capacity as a Deputy Real Estate Commissioner of the State of California. The Accusation, Statement to Respondent, and Notice of Defense were mailed, by certified mail, to Respondents STALLION LENDING, INC. and BRABUS FINANCIAL CORPORATION's last known mailing addresses on file with the Department on March 2, 2012.

On May 15, 2012, no Notice of Defense having been filed herein within the time prescribed by Section 11506 of the Government Code, Respondents STALLION LENDING, INC. and BRABUS FINANCIAL CORPORATION's defaults were entered herein.

2.

From January 23, 2008, through the present, Respondent STALLION LENDING, INC. ("STALLION") has been licensed as a real estate corporation. Respondent STALLION's license expired on January 22, 2012. Respondent STALLION has renewal rights pursuant to Business and Professions Code ("Code") Section 10201. The Department retains jurisdiction pursuant to Code Section 10103.

3.

From May 5, 2003, through May 4, 2011, Respondent BRABUS FINANCIAL CORPORATION ("BRABUS") was licensed by the Department of Real Estate ("Department") as a real estate corporation. Respondent BRABUS' license expired on May 4, 2011. BRABUS has renewal rights under Code Section 10201. The Department retains jurisdiction pursuant Code Section 10103.

4.

At all times herein mentioned, in the State of California, Respondents STALLION and BRABUS (collectively "Respondents"), while using their own names or other fictitious business names, engaged in the business of a real estate broker conducting activities requiring a real estate license within the meaning of Code Section 10131(d) (solicit borrowers for or negotiate loans or perform services for borrowers in connection with loans secured by liens on real property).

5.

On or about March 30, 2009, Respondents charged and collected an advance fee of $1,500 from Hector and Maria Feria for performing services including, without limitation, loan modification and negotiation services in connection with a loan secured by real property. Respondents failed to perform the loan modification and negotiation services that had been promised to the Ferias. Respondents used advance fee materials and an agreement which were not submitted to the Department for review prior to use, in violation of Code Sections 10085 and

10085.5 and Regulation Section 2970, Title 10, Chapter 6, California Code of Regulations ("Regulations").

6.

On or about May 11, 2009, Respondents charged and collected an advance fee of $2,500 from Jesus Ponce for performing services including, without limitation, loan modification and negotiation services in connection with a loan secured by real property. Respondents failed to perform the loan modification and negotiation services that had been promised to Jesus Ponce. Respondents used advance fee materials and an agreement which were not submitted to the Department for review prior to use, in violation of Code Sections 10085, 10085.5 and 10085.6 and Regulation Section 2970.

7.

On February 1, 2010, the California Franchise Tax Board suspended the corporate powers, rights and privileges of Respondent STALLION pursuant to the provisions of the California Revenue and Taxation Code. STALLION's corporate status remains suspended.

Audits

8.

BRABUS

On September 15, 2010, the Department completed an audit examination of the books and records of Respondent BRABUS pertaining to its real estate activities that require a real estate license. The audit examination covered a period of time beginning on July 1, 2007 to May 26, 2009. The audit examination revealed violations of the Code and the Regulations as set forth in the following paragraphs, and more fully discussed in Audit Reports LA090278 and LA100010 and the exhibits and work papers attached to said Audit Reports.

Violations

9.

In the course of activities described in Paragraph 4, above, and during the examination period described in

(b) While doing business as unlicensed entity "PMRI", engaged in the business of real estate and offered to perform or performed services for borrowers including, but not necessarily limited to, forensic loan audits and loan negotiation or modification, in connection with loans secured by liens on real property, in violation of Code Section 10130.

DETERMINATION OF ISSUES

1.

The conduct, acts and/or omissions of Respondents STALLION and BRABUS, as set forth in Paragraphs 4 through 6, above, was in violation of Code Sections 10085.5 and 10085.6 and Regulation 2970, and constitutes grounds for the suspension or revocation of the licenses and license rights of Respondents STALLION and BRABUS pursuant to Code Section 10177(d).

2.

The suspension of Respondent STALLION's corporate status is in violation of Regulation 2742, subdivision (c) and constitutes grounds to suspend or revoke Respondent STALLION's corporate real estate broker license pursuant to Code Section 10177(d).

3.

The conduct of Respondent BRABUS described in Paragraph 9, above, violated the Code and the Regulations as set forth below:

PARAGRAPH	**PROVISIONS VIOLATED**
9(a)	Code Section 10240 and Regulation 2840
9(b)	Code Section 10130

4.

The foregoing violations constitute cause for the suspension or revocation of the real estate license and license rights of Respondent BRABUS under the provisions of Code Section 10177(d) for violation of the Real Estate Law and 10177(g) for negligence.

5.

The conduct of Respondent STALLION described in Paragraph 10, above, violated the Code and the Regulations as set forth below:

PARAGRAPH	PROVISIONS VIOLATED
10(a)	Code Section 10145 and Regulation 2832
10(b)	Code Section 10130

6.

The foregoing violations constitute cause for the suspension or revocation of the real estate license and license rights of Respondent STALLION under the provisions of Code Section 10177(d) for violation of the Real Estate Law and 10177(g) for negligence.

7.

The standard of proof applied was clear and convincing proof to a reasonable certainty.

ORDER

The licenses and license rights of Respondents STALLION LENDING, INC. and BRABUS FINANCIAL CORPORATION under the provisions of Part I of Division 4 of the Business and Professions Code are revoked.

This Decision shall become effective at 12 o'clock noon July 10, 2012.

DATED: May 28, 2012.

Real Estate Commissioner

By WAYNE S. BELL
Chief Counsel

Department of Real Estate
320 West Fourth Street, Suite 350
Los Angeles, California 90013-1105

FILED

MAY 15 2012

DEPARTMENT OF REAL ESTATE
BY: Cs

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation of STALLION LENDING, INC., BRABUS FINANCIAL CORPORATION, IRFAN NAZIR, individually and as designated broker-officer of Stallion Lending, Inc. and KEVIN CHRISTOPHER VALLE, individually and as former designated broker-officer of Brabus Financial Corporation, Respondents.	NO. H-37934 LA DEFAULT ORDER

Respondents, STALLION LENDING, INC. and BRABUS FINANCIAL CORPORATION, having failed to file a Notice of Defense within the time required by Section 11506 of the Government Code, are now in default. It is, therefore, ordered that a default be entered on the record in this matter as to STALLION LENDING, INC. and BRABUS FINANCIAL CORPORATION.

IT IS SO ORDERED May 15, 2012.

Real Estate Commissioner

Dolores Weeks

By: DOLORES WEEKS
Regional Manager

LISSETE GARCIA, Counsel (SBN 211552)
Department of Real Estate
320 West 4th Street, Suite 350
Los Angeles, California 90013-1105

Telephone: (213) 576-6982
(Direct) (213) 576-6914

FILED
MAR - 2 2012
DEPARTMENT OF REAL ESTATE
BY: C.A.

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of STALLION LENDING, INC., BRABUS FINANCIAL CORPORATION, IRFAN NAZIR, individually and as designated broker-officer of Stallion Lending, Inc. and KEVIN CHRISTOPHER VALLE, individually and as former designated broker-officer of Brabus Financial Corporation, Respondents.	NO. H-37934 LA A C C U S A T I O N

The Complainant, Maria Suarez, a Deputy Real Estate Commissioner of the State of California, for cause of Accusation against STALLION LENDING, INC., BRABUS FINANCIAL CORPORATION, IRFAN NAZIR, individually and as designated broker-officer of Stallion Lending, Inc. and KEVIN CHRISTOPHER VALLE, individually and as former designated broker-officer of Brabus Financial Corporation (collectively "Respondents"), is informed and alleges as follows:

1.

The Complainant, Maria Suarez, a Deputy Real Estate Commissioner of the State of California, makes this Accusation in her official capacity.

2.

Respondents are presently licensed and/or have license rights under the Real Estate Law (Part 1 of Division 4 of the California Business and Professions Code, "Code").

3.

From January 23, 2008, through the present, Respondent STALLION LENDING, INC. ("STALLION") has been licensed as a real estate corporation acting by and through Respondent IRFAN NAZIR as its designated broker-officer pursuant to Code Section 10159.2 to be responsible for ensuring compliance with the Real Estate Law.

4.

From May 5, 2003, through May 4, 2011, Respondent BRABUS FINANCIAL CORPORATION ("BRABUS") was licensed by the Department of Real Estate ("Department") as a real estate corporation. From May 5, 2007, through May 26, 2009, Respondent BRABUS was acting by and through Respondent KEVIN CHRISTOPHER VALLE as its designated broker-officer pursuant to Code Section 10159.2 to be responsible for ensuring compliance with the Real Estate Law. Respondent BRABUS' license expired on May 4, 2011. BRABUS has renewal rights under Code Section 10201. The Department retains jurisdiction pursuant Code Section 10103.

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5.

From June 26, 2002, through the present, Respondent IRFAN NAZIR ("NAZIR") has been licensed as a real estate broker.

6.

From November 16, 2002, through the present, Respondent KEVIN CHRISTOPHER VALLE ("VALLE") has been licensed as a real estate broker.

7.

At no time mentioned herein has Pacific Mortgage Resolutions, Inc. ("PMRI") ever been licensed by the Department in any capacity.

8.

PMRI is a corporation formed in California. NAZIR is currently President, Chief Executive Officer and a Director of PMRI. VALLE was the former President, Chief Executive Officer and Director of PMRI.

9.

At all times herein mentioned, in the State of California, Respondents, while using their own names or other fictitious business names, engaged in the business of a real estate broker conducting activities requiring a real estate license within the meaning of Code Section 10131(d) (solicit borrowers for or negotiate loans or perform services for borrowers in connection with loans secured by liens on real property).

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FIRST CAUSE OF ACCUSATION
(ADVANCE FEE VIOLATIONS)

10.

On or about March 30, 2009, Respondents charged and collected an advance fee of $1,500 from Hector and Maria Feria for performing services including, without limitation, loan modification and negotiation services in connection with a loan secured by real property. Respondents failed to perform the loan modification and negotiation services that had been promised to the Ferias. Respondents used advance fee materials and an agreement which were not submitted to the Department for review prior to use, in violation of Code Sections 10085 and 10085.5 and Regulation Section 2970, Title 10, Chapter 6, California Code of Regulations ("Regulations").

11.

On or about May 11, 2009, Respondents charged and collected an advance fee of $2,500 from Jesus Ponce for performing services including, without limitation, loan modification and negotiation services in connection with a loan secured by real property. Respondents failed to perform the loan modification and negotiation services that had been promised to Jesus Ponce. Respondents used advance fee materials and an agreement which were not submitted to the Department for review prior to use, in violation of Code Sections 10085, 10085.5 and 10085.6 and Regulation Section 2970.

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12.

The conduct, acts and/or omissions of Respondents STALLION, BRABUS, NAZIR and VALLE, as set forth above, was in violation of Code Sections 10085.5 and 10085.6 and Regulation 2970, and constitutes grounds for the suspension or revocation of the licenses and license rights of Respondents STALLION, BRABUS, NAZIR and VALLE pursuant to Code Sections 10177(d) or 10177(g).

SECOND CAUSE OF ACCUSATION
(Unlicensed Activity and
(Use of Unauthorized Fictitious Business Name)

13.

There is hereby incorporated in this Second, separate Cause of Accusation, all of the allegations contained in Paragraphs 1 through 12, above, with the same force and effect as if herein fully set forth.

14.

The activities described in Paragraphs 10 and 11, above, require a real estate license under Code Section 10131(d). Use of a fictitious business name for activities requiring the issuance of a real estate license requires the filing of an application for the use of such name with the Department in accordance with the provisions of Code Section 10159.5.

15.

Respondents NAZIR and VALLE acted without Department authorization in using the fictitious business name "Pacific

Mortgage Resolutions, Inc." to engage in activities requiring the issuance of a real estate license.

16.

The conduct, acts and/or omissions of Respondents NAZIR and VALLE, as set forth in Paragraphs 14 and 15, above, violate Code Section 10159.5 and Regulation 2731, and are cause for the suspension or revocation of the licenses and license rights of Respondents NAZIR and VALLE pursuant to Code Sections 10177(d) and/or 10177(g).

THIRD CAUSE OF ACCUSATION
(Suspended Corporate Status)
(Respondent STALLION)

17.

There is hereby incorporated in this Third, separate, Cause of Accusation, all of the allegations contained in Paragraphs 1 through 16 above, with the same force and effect as if herein fully set forth.

18.

On February 1, 2010, the California Franchise Tax Board suspended the corporate powers, rights and privileges of Respondent STALLION pursuant to the provisions of the California Revenue and Taxation Code. STALLION's corporate status remains suspended.

19.

The suspension of Respondent STALLION's corporate status is in violation of Regulation 2742, subdivision (c) and constitutes grounds to suspend or revoke Respondent STALLION's corporate real estate broker license pursuant to Code Sections

10177(d) and/or 10177(g).

FOURTH CAUSE OF ACCUSATION
(Audits)

20.

There is hereby incorporated in this Fourth, separate Cause of Accusation, all of the allegations contained in Paragraphs 1 through 19, above, with the same force and effect as if herein fully set forth.

BRABUS

21.

On September 15, 2010, the Department completed an audit examination of the books and records of Respondent BRABUS pertaining to its real estate activities that require a real estate license. The audit examination covered a period of time beginning on July 1, 2007 to May 26, 2009. The audit examination revealed violations of the Code and the Regulations as set forth in the following paragraphs, and more fully discussed in Audit Reports LA090278 and LA100010 and the exhibits and work papers attached to said Audit Reports.

22.

Violations

In the course of activities described in Paragraph 9, above, and during the examination period described in Paragraph 21, Respondent BRABUS, acted in violation of the Code and the Regulations as follows:

(a) Failed to disclose the yield spread premium/rebate paid by the lender on the Mortgage Loan

Disclosure Statement in two (2) out of six files examined, in violation of Code Section 10240 and Regulation 2840.

(b) While doing business as unlicensed entity PMRI, engaged in the business of real estate and offered to perform or performed services for borrowers including, but not necessarily limited to, forensic loan audits and loan negotiation or modification, in connection with loans secured by liens on real property, in violation of Code Section 10130.

Disciplinary Statutes

23.

The conduct of Respondent BRABUS described in Paragraph 22, above, violated the Code and the Regulations as set forth below:

PARAGRAPH	PROVISIONS VIOLATED
22(a)	Code Section 10240 and Regulation 2840
22(b)	Code Section 10130

24.

The foregoing violations constitute cause for the suspension or revocation of the real estate license and license rights of Respondent BRABUS, under the provisions of Code Section 10177(d) for violation of the Real Estate Law and/or 10177(g) for negligence.

STALLION

25.

On September 15, 2010, the Department completed an audit examination of the books and records of Respondent

STALLION pertaining to its real estate activities that require a real estate license. The audit examination covered a period of time beginning on January 23, 2008 to June 30, 2010. The audit examination revealed violations of the Code and the Regulations as set forth in the following paragraphs, and more fully discussed in Audit Report LA 090276 and the exhibits and work papers attached to said Audit Report.

26.

Violations

In the course of activities described in Paragraph 9, above, and during the examination period described in Paragraph 25, Respondent STALLION acted in violation of the Code and the Regulations as follows:

(a) Held earnest money deposits without written authorization from the principals beyond three business days following the acceptance of an offer to purchase in connection with the sales activity in ten (10) out of twenty (20) files examined, in violation of Code Section 10145 and Regulation 2832.

(b) While doing business as unlicensed entity PMRI, engaged in the business of real estate and offered to perform or performed services for borrowers including, but not necessarily limited to, forensic loan audits and loan negotiation or modification, in connection with loans secured by liens on real property, in violation of Code Section 10130.

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Disciplinary Statutes

27.

The conduct of Respondent STALLION described in Paragraph 26, above, violated the Code and the Regulations as set forth below:

(a)

PARAGRAPH	PROVISIONS VIOLATED
26(a)	Code Section 10145 and Regulation 2832
26(b)	Code Section 10130

28.

The foregoing violations constitute cause for the suspension or revocation of the real estate license and license rights of Respondent STALLION, under the provisions of Code Section 10177(d) for violation of the Real Estate Law and/or 10177(g) for negligence.

FIFTH CAUSE OF ACCUSATION
(Failure to Supervise)
(NAZIR and VALLE)

29.

There is hereby incorporated in this Fifth, separate Cause of Accusation, all of the allegations contained in Paragraphs 1 through 28, above, with the same force and effect as if herein fully set forth.

30.

The conduct, acts and/or omissions of Respondent NAZIR, in allowing Respondent STALLION to violate the Real Estate Law, as set forth above, constitutes a failure by

Respondent NAZIR, as the broker-officer designated by the corporate broker licensee, to exercise the supervision and control over the activities of Respondent STALLION, as required by Code Section 10159.2, and is cause to suspend or revoke the real estate license and license rights of Respondent NAZIR under Code Sections 10177(h), 10177(d) and/or 10177(g).

31.

The conduct, acts and/or omissions of Respondent VALLE, in allowing Respondent BRABUS to violate the Real Estate Law, as set forth above, constitutes a failure by Respondent VALLE, as the broker-officer designated by the corporate broker licensee, to exercise the supervision and control over the activities of Respondent BRABUS, as required by Code Section 10159.2, and is cause to suspend or revoke the real estate license and license rights of Respondent VALLE under Code Sections 10177(h), 10177(d) and/or 10177(g).

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WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action against all licenses and/or license rights under the Real Estate Law (Part 1 of Division 4 of the California Business and Professions Code) of Respondents STALLION LENDING, INC., BRABUS FINANCIAL CORPORATION, IRFAN NAZIR, individually and as designated broker-officer of Stallion Lending, Inc. and KEVIN CHRISTOPHER VALLE, individually and as former designated broker-officer of Brabus Financial Corporation, and for such other and further relief as may be proper under other applicable provisions of law.

Dated at Los Angeles, California.

this 27th day of February, 2012.

MARIA SUAREZ
Deputy Real Estate Commissioner

cc: Stallion Lending, Inc.
Brabus Financial Corporation
Irfan Nazir
Kevin Christopher Valle
Maria Suarez
Sacto
Zaky Wanis - Audits